

## Message Text

UNCLASSIFIED

PAGE 01 LIMA 05773 152309Z

64

ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 L-03 AID-20 CIAE-00 COME-00 EB-11

FRB-03 INR-11 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

CIEP-02 LAB-06 SIL-01 OMB-01 TAR-02 PA-04 PRS-01

USIA-15 AGR-20 DRC-01 /145 W  
----- 126153

R 152244Z JUL 74

FM AMEMBASSY LIMA  
TO SECSTATE WASHDC 998  
INFO AMEMBASSY BOGOTA  
AMEMBASSY CARACAS  
AMEMBASSY LA PAZ  
AMEMBASSY QUITO  
AMEMBASSY SANTIAGO

UNCLAS LIMA 5773

E.O. 11652: N/A

TAGS: EIND, EGEN, CO, VE, BL, EC, CI, PE

SUBJECT: ANDEAN PACT: PETROCHEMICAL AND FERTILIZER INDUSTRY  
PROGRAMS

REF: A. LIMA 5772; B) LIMA A-147

1. AN INTERGOVERNMENTAL COMMITTEE, HEADED BY VENEZUELAN REPRESENTATIVE JESUS ALBERTO FERNANDEZ JIMENEZ, MET JULY 2-10 IN LIMA TO ADVANCE NEGOTIATIONS ON JUNTA PROPOSALS 44 AND 47 ON PETROCHEMICALS AND FERTILIZERS. MEMBER COUNTRIES ARE MUCH CLOSER ON THESE PROPOSALS THAN ON AUTOMOTIVE INDUSTRY PROGRAM (SEE REFTEL A). HOWEVER, JUNTA COORDINATOR GERMANICO SALGADO TOLD REGIONAL INTEGRATION OFFICER THAT ALL-OUT EFFORT WILL BE MADE TO HAVE THE THREE PROGRAMS APPROVED TOGETHER. AT THE EARLIEST, ACCORDING TO SALGADO, THIS WOULD BE IN OCTOBER.

2. TWO FUNDAMENTAL PROBLEMS ARE STILL UNSOLVED IN PETROCHEMICAL  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LIMA 05773 152309Z

AND FERTILIZER INDUSTRY PROGRAMS. FIRST, BOLIVIA CONTINUES TO

INSIST ON A SUFFICIENTLY TIGHT PROGRAMMING PROCEDURE TO ENSURE THAT ACTUAL ESTABLISHMENT OF PLANTS IN THAT COUNTRY. SECONDLY, VENEZUELA CONSIDERS IT INDISPENSABLE TO PRESERVE THE RIGHT OF MEMBER COUNTRIES TO ESTABLISH NEW PLANTS OUTSIDE THE ANDEAN PACT ALLOCATION PROCESS, AS LONG AS THEIR PRODUCTION IS EXCLUSIVELY FOR THIRD-COUNTRY MARKETS. VENEZUELA PRESENTED A PROPOSAL FOR THE WAY THIS PROCEDURE COULD BE CONTROLLED. ACCORDING TO OPINIONS IN THE JUNTA, VENEZUELA'S CONDITION WILL PROBABLY BE MET. AS TO BOLIVIA, FINANCING OFFERS FROM VENEZUELA MAY HELP TO OBTAIN ITS SUPPORT.

3. THE OTHER RESERVATIONS VOICED BY THE VARIOUS COUNTRIES, WHICH ARE BASICALLY STILL THE SAME AS REPORTED IN REPAIR B, ARE NEGOTIABLE. CONSIDERABLE PROGRESS HAS BEEN MADE TOWARD A CONSENSUS. THE "OPEN-MODEL APPROACH", MEANING ADJUSTMENT TO WORLD MARKET CONDITIONS IN BASIC PETROCHEMICAL FEEDSTOCKS, APPEARS GENERALLY TO BE ACCEPTED.  
DEAN

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEE MEETINGS, INTERGOVERNMENTAL COOPERATION, NEGOTIATIONS, FERTILIZERS, CHEMICALS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974LIMA05773  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740189-0741  
**From:** LIMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740749/aaaabpum.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** A. LIMA 5772; B) LIMA A-147  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 OCT 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 OCT 2002 by ThomasVJ>; APPROVED <16 JAN 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ANDEAN PACT: PETROCHEMICAL AND FERTILIZER INDUSTRY PROGRAMS  
**TAGS:** EIND, EGEN, CO, VE, BL, EC, CI, PE, ANCOM  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005